

# the book case

## **The Facts Are Right, but the Facts Are Slight**

By James M. Buchanan

**The Capitalist Revolution: Fifty Propositions about Prosperity, Equality, and Liberty**  
By Peter L. Berger, New York: Basic Books, 262 pages, \$17.95

**P**eter Berger identifies *The Capitalist Revolution* as a preliminary effort to construct an "empirically oriented theory of capitalism and society," to fill in a "great lacuna... on the contemporary intellectual landscape." To this end he presents 50 propositions as hypotheses subject to falsification.

The factual evidence strongly suggests that capitalism outperforms alternative organizational structures in terms of the familiar success criteria. While Berger implicitly places his faith in this factual record, he at the same time recognizes that capitalism is notoriously unsuccessful in generating its own "supporting myths." In some ultimate sense, the evidence must matter, but the feedback loop remains shrouded in mysteries.

The facts of capitalism's relative success have been available for decades. Berger-like rearrangements of the evidence can, without question, be of marginal value, and the incorporation of a discussion of the Asian capitalist successes is one of the best features of this book. But we need to know much more about why the bridge from facts to organizational structure seems so difficult to cross.

The book should be better than it is. The theme is important; the method is appropriate; the argument is well developed. Aside from Berger's fellow academic sociologists, however, readers will be put off by the proffered stance as "social science" and by the lapses into specialized terminology. What does the word *facticity* add? He surely aims for a generalized readership among the intelligentsia, but he sometimes fails to escape the rhetorical constraints of his own academy.

Berger seems to overlook what political scientists Robert Dahl and Charles Lindblom taught us three decades ago. We are rarely, if ever, presented with "capitalism" and "socialism" as effective policy options. We do not choose between whole organizational



structures. We are faced with pragmatically derived choices between policy options in the small that will *incrementally* increase or decrease the politicization of our lives. And many who would express a preference for increasing politicization in the small would categorically reject the notion that they are choosing "socialism" over "capitalism" as an organizing principle for the whole social order.

Thus the failure to recognize the externalities of policy change may swamp in influence any understanding of the factual

record. The federal government's bailout of a bank or an automobile firm is not likely to be opposed on an empirically grounded argument in favor of capitalism as a system of order. Such a bailout is much more likely to be opposed on the philosophically grounded argument that such an increase in politicization of the economy violates the *principle* by which the capitalist system operates.

Why do not the successes of capitalism, and especially as measured by the liberties and economic well-being of the masses, lead directly to political movement toward capitalist regimes? Peter Berger recognizes that the answer here, with respect to both the advanced socialist and the developing countries, lies in the incentives facing the persons and groups who hold the reins of political power. Success criteria for these effective decisionmakers are wholly different from those that might emerge from the ethical norms of the social philosophers. But exposure of the differences between the realities and the myths deserves greater emphasis than this book provides.

My criticisms do not add up to the suggestion that Berger should have written a different book. He has indeed marshaled the facts of capitalist success. These facts, however, must be supplemented by other evidence and analytical arguments. Ideas and analyses must join facts in the development of any effective political understanding.

James M. Buchanan, University Distinguished Professor at the Center for Study of Public Choice at George Mason University, received the 1986 Nobel Prize in economics.

## **Vignettes of the Frontier Economy**

By Robert Sobel

**Entrepreneurs of the Old West, by David Dary**  
New York: Alfred A. Knopf, 368 pages, \$22.95

**S**tudents of economic and business history know that the major activity of businessmen in the American West during the 19th century involved locating resources, extracting them, and taking them to markets. It was natural, then, that many would find opportunities in such areas as furs,

lumber, mining, cattle, and later on agriculture and petroleum, while others deepened rivers, engineered canals, and threw telegraph lines and railroads from the Mississippi to the Pacific.

In addition, hundreds of merchants went west to provide its inhabitants with goods

CHARLES PEALE

# \$25,000,000,000

## The Government Holds For You

Would you like to stake a share of the \$25,000,000,000 the government holds for just making a few phone calls and looking in some phone books? That is all you have to do to enjoy thousands of dollars. If you can read English and can speak on the phone, you can make thousands of dollars overnight—and you don't have to do any selling at all.

This ad will explain every detail of an exciting new business that has never been advertised or attempted before—what's more, you can enter with absolutely no money.

Life was not always rosy for me. I got involved in a bad business investment a few years ago and lost about \$11,000. Everything I owned was taken away from me. I needed money desperately to feed my family, so I was forced to toil as a waiter at the Sheraton Harbor Island Hotel in San Diego by night, and I was a filing clerk during the day. It was so exhausting, that as soon as I got home, I would sleep for just a few hours, wake up in a stupor, drink four cups of coffee, and then scramble to my next job. I had no choice. It was the only thing I could do to stop disappointing my loved ones. I remember coming home on Mother's Day really eager to call my mother, only to find that my phone had been disconnected. I went through the mail praying for some good news, only to find an envelope with no return address—it contained an eviction notice. At this point I thought we would have to live in our beat-up Fiat. We were fortunate to have relatives that were kind enough to let us stay with them. I never knew life could be so miserable. I sat down on the sidewalk just realizing how much being in debt could hurt. With tears in my eyes, I prayed for a way out.

My friend Gary, who was in the same financial boat as I was told me a story that changed my life forever. He told me very excitedly, "I received a funny-looking letter. When I first saw it, I thought it was another creditor making a claim on me. The letter told me about money that was rightfully mine—it said that if I signed the enclosed form, I would receive \$2,592.59. Things were so bad that I had nothing to lose, so I signed the form neatly and returned it to the company.

"Ten days later I received a check for \$2,592.59 with an explanation. A distant aunt had died and left \$4,320.98 in her savings account. The company that found me collected \$1,728.39. The firm had no trouble finding out that I was related to her. Just for matching up people with the same last names, that agency was making millions every year."

It was just then that an amazing idea popped into my mind. I was overcome with excitement; this revolutionary system was so simple, yet I knew it

would take me out of my rut. I was compelled to find out more about it. I had lost everything I owned; what else could I lose? I found out everything I could and began to work on a plan. I put it into effect. My prayers were heard. To my relief I started to make more money than I have ever seen in my life for doing practically nothing. In fact, my income for just last month was \$50,076.78.

I had a C-minus average in high school—one year, I received an F in English. By no means was I ever considered to have the smarts. But I did it. All you have to do to make large amounts of money is thumb through phone books and make a few phone calls.

Last summer we moved into a gorgeous home. My wife told me it was her life long dream to own a brand new car. You should have seen her tears of joy when I surprised her with her own new \$20,000 car. Later I bought a 1986 Mercedes 560SL that cost me \$56,000.

The amount of money I was making was incredible. Just as a hedge against taxes, I bought two three bedroom houses valued at \$200,000. I asked everyone in my family what they wanted the most and they said they wanted to see all of us together going places. In the past month we have visited three countries. In fact, we take a vacation every month. It's great seeing the joy in everyone's eyes as I spend more time with them.

**Twenty-five billion is just sitting there waiting for someone to recover it.** One out of ten Americans have forgotten or lost money in bank accounts, stocks, insurance premiums, etc. This is money worth as much as the amount of \$10 bills you could lay end-to-end around the world; \$25 billion. I will disclose a plan to you that will show you how to get your hands on this money.

**Only 10 percent of the rightful owners claim their share of the \$25 billion.** The states make no strong effort to contact the rightful owners. Why should they, when unclaimed property is their biggest source of revenue, second only to taxes? The states are required by law to make a list of unclaimed owners. These lists are hard to find but I will show you how to get every one that the states publish. And in some cases, they're free.

Let me give you a random sample list from the state of Wisconsin. (Addresses are included in lists.)

Owner's Name	Property	Amount
Drinka, Teresa, A	Savings	\$10,891.47
Lavelle, Samuel	Stock Proceeds	\$21,529.61
McDonnell, Martha	Savings	\$12,843.78
Meyer, Thusneida	Savings	\$18,489.18
Patterson, Arthur	Savings	\$14,629.24
Stien, George	Savings	\$57,525.83

This listing is only a minor portion of the \$25 billion in unclaimed property that is waiting for you.

### Sworn Testimonials

*I've spent at least \$7,000 on money-making books and seminars. The difference between them and your method is that yours works! In less than three weeks (part time) I was able to secure \$52,614.21. Thanks for a business that will easily make me \$100,000 this year. If I can ever be of service just call.*

Steve S., CO

*Having read your book, I have recently launched into the fascinating endeavor of locating people. As a result, I have succeeded in finding an individual with a fairly large sum of money.*

Ben S., CA

*Thank you so much for the methods outlined in your book. I was able to secure \$24,685 in just six hours of work. I have read just about all the other "get rich" books but yours has to be the best.*

Terrie, T., MI

To make thousands of dollars, all you need are telephone books and a phone. The proven system in this book can be learned in a half hour. After that, you are all set. **If you can read English and can speak on the phone, you're in business. It's as easy as that.**

### Sample Proof

Bonnie Goldstein, a well-known syndicated newspaper writer who doesn't know anything about finding people, located the owners of \$4,100 in two and a half hours with two telephone directories—she said so in the *San Francisco Sunday Examiner & Chronicle*.

### My Guarantee

Send for my complete guide to recovering unclaimed money. Read the simple formula that has been tailored for each individual state. Sit down and make the required few phone calls and directory searches. **After following the simple formula, you must be able to recover \$10,000 in one day** or your complete payment will be returned to you.

This opportunity can give you a new home, car and all of the luxuries money has to offer. **Think of what \$10,000 today could do for you.** Could you use this kind of money? There is a definite flaw in our revenue system, and you can profit from it.

David Bendah (619) 265-8777  
6602 El Cajon Blvd., Suite B, Dept. 508 B  
San Diego, CA 92115

Dear Dave:

Send me your complete guide to recovering \$25,000,000,000 in unclaimed money on the condition that I must be able to locate \$10,000 easily in one day with your book or you will return my entire payment.

On that basis, here is my \$10.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Please add \$1 dollar to cover part of the shipping costs. All checks must be accepted by TeleCheck; payments not accepted will be returned in full.